

Defined Contribution and Retirement Study Committee

During the 55th Legislature – First Regular Session, Senate Bill 1609 was passed into law and signed by the Governor. The bill – Retirement systems; plans; plan design (Laws 2011, Chapter 357) – included a provision to create a Defined Contribution and Retirement Study Committee.

Provisions in the legislation included:

- Establish a Defined Contribution and Retirement Study Committee made up of the State Board of Investment, three Senators, three Representatives, one ASRS Trustee, and one PSPRS Trustee.
- Require the Committee to study and make recommendations regarding:
 - The feasibility and cost of transferring existing members of public defined benefit plans to a new defined contribution plan, as well as implementing a defined contribution plan for new hires.
 - The advantages and disadvantages of ASRS- and PSPRS-sponsored supplemental retirement plans and the feasibility of merging the plans.
 - The definitions of compensation, average yearly salary and salary of all four plans, and to ascertain the effect of salary “spiking.”
 - The advantages and disadvantages of the local board system within PSRPS and CORP and the feasibility of establishing a single employer model.
 - The procedures for granting disability by the local boards of PSPRS and CORP.
- Require the Committee to meet twice and issue an interim report before December 31, 2011, and submit a final report with recommendations by December 31, 2012.
- Appropriate \$50,000 from the ASRS Administration Account and \$50,000 from PSPRS to fund the Study Committee.

The Committee schedule has been announced as follows:

- Tuesday, September 27, 2011, at approximately 2:30 p.m.
- Tuesday, October 25, 2011, at approximately 2:30 p.m.
- Tuesday, November 22, 2011, at approximately 2:30 p.m.
- Tuesday, December 13, 2011, 3 p.m.

The Committee will meet in Senate Hearing Room 109 at the state Capitol at approximately 2:30 p.m., immediately following the conclusion of the Board of Investment meetings of the Arizona Treasurer’s Office.